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HEALTH SECTOR REHABILITATION

Agreement Between the
UNITED STATES OF AMERICA
and LEBANON

Signed at Beirut June 22, 1978

Health facilities —
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Econ assist, Amer Fz
Public health laws Fz

NOTE BY THE DEPARTMENT OF STATE

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LEBANON

Health Sector Rehabilitation

Agreement signed at Beirut June 22, 1978;
Entered into force June 22, 1978.

PROJECT GRANT AGREEMENT

June 22, 1978

Between

The Republic of Lebanon ("Grantee"), acting through the Council for Development and Reconstruction ("C. D. R.")

And

The United States of America, acting through the Agency for International Development ("A. I. D.")

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

Section 2.1 Definition of Project. The Project will assist Grantee's efforts to re-establish health and social/health services disrupted or terminated by recent hostilities. The Project will finance foreign exchange and local costs of technical advisory services, commodities, training, plus a limited amount of operating expenses of the Grantee with respect to the Project.

Article 3: Financing

Section 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A. I. D., pursuant to the Foreign Assistance Act of 1961, as amended,[1] agrees to grant the Grantee under the terms of this Agreement not to exceed four million nine hundred thousand United States dollars ($4,900,000)("Grant"). The Grant may be used only to finance foreign exchange and local currency costs as defined in Article 6 of goods and services required for the Project.

[1] 75 Stat. 424; 22 U.S.C. § 2151 note.

Section 3.2. Grantee Resources for the Project

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner;

(b) The resources provided by Grantee from non-A.I.D. sources for the Project will be no less than the equivalent of one million United States dollars ($1,000,000), including costs borne on an "in-kind" basis.

Section 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1979, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

Section 4.1 First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement.

(b) Other information and documents as A.I.D. may reasonably request.

Section 4.2 Additional Disbursement. Prior to disbursement under the Grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made to finance a particular activity proposed under the Grant, Grantee shall, except as A.I.D. may otherwise agree in writing, furnish in form satisfactory to A.I.D., a detailed description of the activity, its purposes, the organization in charge of implementation, a detailed cost estimate for activity, including amounts proposed for A.I.D. financing and other sources of funds for the activity.

Section 4.3 Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1 and 4.2 have been met, it will promptly notify the Grantee.

Section 4.4. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 4.1 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

Article 5: Special Covenants

Section 5.1. Project Evaluation. The Parties agree to establish an evaluation program for each of the activities undertaken as a part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(a) evaluation of progress toward attainment of the objectives of the Project;

(b) identification and evaluation of problem areas or constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

Article 6: Procurement Source

Section 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services)("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex,[1] Section C.1(b) with respect to marine insurance.

Section 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2 will be used exclusively to finance costs of goods and services required for Project having source and, except as A.I.D. otherwise agrees in writing, origin in the Republic of Lebanon.

[1] Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference.

Article 7: Disbursement

Section 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D. committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

Section 7.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, Grantee may obtain disbursements of funds under the Grant for local currency costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D. with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) Local currency needed for such disbursements may be obtained:

(1) by acquisition by A.I.D. with U.S. dollars by purchase,

(2) by A. I. D. (A) requesting Grantee make available local currency for such costs, and (B) thereafter making available to the Grantee, through opening or amendment by A. I. D. of Special Letters of Credit in favor of the Grantee or its designee, an amount of U. S. dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U. S. dollar equivalent of local currency made available hereunder will be, in case subsection (b)(1) above, the amount of U. S. dollars required by A. I. D. to obtain the local currency, and in case of subsection (b)(2) above, an amount calculated at the exchange rate specified in the applicable Special Letter of Credit implementation memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

Section 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

Section 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into the Republic of Lebanon by A. I. D. or any other public or private agency for purposes of carrying out obligations of A. I. D. hereunder, the Grantee will make such arrangements as may be necessary to convert such funds to Lebanese currency at the highest legal exchange rate in Lebanon.

Article 8: Miscellaneous

Section 8.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

Article 8, Section 8.1. Communications (continued)

To the Grantee: Republic of Lebanon
Council for Development and Reconstruction
Beirut, Lebanon

To A. I. D.: Agency for International Development (NE/JLS)
U. S. Department of State
Washington, D.C. 20523

or Embassy of the United States of America
Beirut, Lebanon

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the U. S. A. I. D. Mission in Beirut with a copy of each communication sent to A. I. D.

Section 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of President, Council for Development and Reconstruction and A. I. D. will be represented by the individual holding or acting in the office of AID Representative to Lebanon, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A. I. D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

Section 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2)[1] is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF LEBANON

By: [2]
Title: President, Council for Development and Reconstruction

UNITED STATES OF AMERICA

By: Richard B. Parker [3]
Title: Ambassador

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[1] See footnote 1, p. 5.
[2] Mohammed Atallah.
[3] Richard B. Parker.

ANNEX 1

PROJECT GOAL: The rehabilitation of Lebanon

PROJECT PURPOSE: To rehabilitate health and related services for the people of Lebanon. The project outputs will be a variety of functioning health-related institutions and services.

To achieve this purpose, A. I. D. will provide technical assistance, commodities and a limited amount of both training and operating expenses.

Because the needs of the health and health-related social affairs sectors are beyond A. I. D. 's capacity to fill, a list of selected priority projects has been drawn up for funding under this Grant. Specifically:

A. Technical assistance and commodities to establish a national program of vocational education for the handicapped ($400,000);

B. Technical assistance, commodities and operating expenses for the establishment of socio-medical centers ($1,000,000);

C. Restoration of the Beirut Municipality's Public Health vehicle fleet and services ($300,000);

D. Reequipping of Tripoli Hospital ($1,700,000);

E. Technical assistance, training and commodities to establish a national emergency medical service system ($1,000,000);

F. Technical assistance and commodities for communicable disease investigation and surveillance ($300,000);

G. Technical assistance and commodities for environmental sanitation ($200,000).

Amounts in parentheses reflect a tentative allocation of the Grant to each of the various activities.

These activities are at various stages of development. For final approval, the Grantee must develop sufficiently detailed information on each proposed activity to determine the type, magnitude and source of required resources, develop a detailed plan for applying these resources in the manner planned and demonstrate that the application of these resources in the manner planned has a reasonable likelihood of achieving the end result. To this end, technical assistance financed under this Grant may be used to assist the Government in developing activities.

Individual activities will be approved by Letters of Implementation issued by A. I. D. and approved by the Grantee.

It is possible that the amounts for specific activities may vary, that some activities may not continue to be feasible, or that new activities will be identified which the Grantor and Grantee agree are of higher priority than the activities listed above. Such changes will be agreed to through a Letter of Implementation between A. I. D. and the Grantee.

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